

HOUSE OF REPRESENTATIVES
STATE OF UTAH

REPRESENTATIVE
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March 3, 2010

Mr. Keith Prescott, Chair
Utah Tax Review Commission
W210 House Building
SLC, UT 84114

Mr. Prescott,

At the March 3, 2010 meeting of the House Revenue and Taxation Standing Committee, we considered HB 148, *Sales and Use Tax Changes*, sponsored by Rep. Wayne Harper. A key feature of the bill is that it would create a uniform sales tax rate statewide.

The Committee unanimously approved a motion to refer the bill for additional study during the interim period. In addition, the Committee unanimously approved a motion directing me, as chair, to request that the Utah Tax Review Commission (TRC) study the bill and provide input to legislators on the issues the bill raises.


In response to the committee motion, I am requesting that the TRC study H.B. 148 during the 2010 interim period and report its findings and recommendations to the Revenue and Taxation Interim Committee no later than the November 2010 interim meeting.

In addition to a review of the bill itself, we would welcome comments from the TRC on sales tax rate issues the bill raises, including:

- advantages and disadvantages of a single statewide sales tax rate;
- implications of a single statewide rate for the streamlined sales tax agreement;
- the effect of differing sales tax rates on economic activity within the state;
- elimination of the 1.0% local option restaurant tax;
- increasing local government use of the sales tax over time, both in terms of proportion of revenue and in the increasing number of earmarked local option sales taxes; and
- any other information the TRC believes is relevant to our deliberations.

We look forward to your findings and recommendations. We appreciate your service to the state and appreciate the time you take to provide us with your insights into tax policy.

Sincerely,


Representative Todd E. Kiser
Chair

House Revenue and Taxation Standing Committee